The Tourism Economy Study: CCU Lodging Update, March 29, 2018

Current Performance Estimates

Hotel, Condo-Hotel and Campsite Properties

Preliminary results from Coastal Carolina University’s voluntary sample of hotel, condo-hotel and campsite (HC-HC) properties along the Grand Strand during the week of March 18-24, 2018, indicates that the midweek occupancy rate averaged 38.2 percent, down 1.5 occupancy points or 3.8 percent compared to the equivalent week of 2017. During the Friday-Saturday night period, the occupancy rate averaged 62 percent, down 12.6 occupancy points or 16.9 percent compared to the equivalent weekend in 2017. The average daily rate (ADR) was down 7.7 percent during the midweek period but up 0.6 percent compared with the equivalent weekend period in 2017. Consequently, HC-HC occupancy for the week overall was down 4.9 occupancy points or 9.9 percent, and ADR was down 5.2 percent, bringing revenue per available room (RevPAR) down 14.9 percent compared with the equivalent week of 2017.

VRPs

Based on the Brittain Center’s observations of random samples of internet websites of vacation rental properties (VRPs) in the coastal sections of Horry and Georgetown counties (318 of the 3,135 units) for which complete data are publicly available, 57 percent were reserved or blocked from rental during the week of March 17-23, 2018. The level of reservations was up 6.1 occupancy points or 12.1 percent compared with the equivalent week of 2017. For the nights of March 24-30, 2018, 63.3 percent of the VRPs were reserved or blocked from reservation. The level of reservations was up 17.6 occupancy points or 38.7 percent compared with the equivalent week in 2017, which in that year did not include the Easter Friday religious observance.

Six-Week Average Performance

Preliminary results indicate that during the nights of Feb. 11-March 24, 2018, 46.9 percent of the lodging properties in the Brittain Center’s voluntary sample of HC-HC properties located along the Grand Strand were occupied, which was down 4.5 occupancy points or 8.8 percent compared with the equivalent weeks of 2017. The average daily rate for these properties was down 5.5 percent compared with the equivalent weeks of 2017, bringing average RevPAR down 13.8 percent compared with the equivalent period of 2017. During the same period, 53.3 percent of the VRP bedrooms in the Center’s random sample of Horry County VRPs were reserved or blocked from weekly rentals, up 6.8 occupancy points or 14.5 percent compared with the equivalent weeks in 2017. Average advertised price for this segment was down 8 percent compared with 2017, which would leave revenue per available bedroom up 5.4 percent compared with the equivalent weeks in 2017.

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Forecast and Analysis

According to weather.com at the time of this writing, the forecast for the weekend of March 31-April 1, 2018, calls for a high temperature of 64 degrees and 72 degrees, and a 0 percent and 10 percent chance of precipitation, respectively. The Brittain Center predicts that average occupancy for its sample of HC-HC properties may be near or above 90 percent for the nights of March 30-31, 2018. Based on this week’s observations by Center researchers of 318 websites of VRPs available to rent in Horry and Georgetown counties, 91.1 percent are reserved for the week of March 31-April 6, 2018, up 37.5 occupancy points or 69.9 percent compared with the equivalent week of 2017, which did not include Easter.

Additional Research Notes

The Brittain Center’s preliminary sample of 224 HC-HC properties reporting for the week of March 18-24, 2018, consisted of 12 hotels (all but four are oceanfront/view, and three are brand affiliated), 11 condo-hotels (all are oceanfront/view), and one campground resort property. The results for the current moving six-week period are based on an average sample size of 8,227 units per week average.

Data collected and analysis created by:

The Clay Brittain Jr. Center for Resort Tourism

L. Taylor Damonte, Ph.D., professor/director

Olivia Barnhardt and Christopher Durand, research assistants

In cooperation with:

The Grant Center for Real Estate and Economic Development

Gary Loftus, director

Note: The above analysis is based on sample estimates. Actual business performance results may vary greatly. Therefore, neither the above centers nor Coastal Carolina University warrant the use of the above data or analysis for specific business application.